



UNITED STATES PATENT AND TRADEMARK OFFICE

mw

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/741,884	12/22/2000	Ryan M. Ismert	08225.0001	5822

22852 7590 03/29/2004

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
1300 I STREET, NW
WASHINGTON, DC 20005

EXAMINER

GART, MATTHEW S

ART UNIT PAPER NUMBER

3625

DATE MAILED: 03/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/741,884

Applicant(s)

ISMERT ET AL.

Examiner

Matthew s Gart

Art Unit

3625

MW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-63 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-63 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 December 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____. |

Art Unit: 3625

DETAILED ACTION

Claim Rejections - 35 USC § 101

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 101 that form the basis for the rejections under this section made in this Office action:

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-21 and 43-63 are rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Art Unit: 3625

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found

Art Unit: 3625

that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

Art Unit: 3625

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In utilizing the two-prong test as indicated supra, the claimed invention as a whole must accomplish a practical application. The Examiner notes, in the present application, claims 1-21 and 43-63 do produce a useful, concrete and tangible result.

The Examiner further notes, claims 1-21 and 43-63 fail to recite any technology within the claims. Claims 1-21 and 43-63 recite a method and system of managing purchasing data. Utilizing *Toma's* "technological arts" analysis, claims 1-21 and 43-63 are not within the "technological art," because the claimed invention is not an operation being performed by a computer within a computer.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-63 are rejected under 35 U.S.C. 102(e) as being anticipated by

Whitesage Patent Application Publication US 2002/0010686.

Referring to claim 1. Whitesage discloses a method for managing purchasing data, the method comprising the steps of:

Art Unit: 3625

- Receiving purchasing data from a purchasing entity, wherein the purchasing data relates to purchase transactions for a plurality of products purchased by the purchasing entity (paragraph 0066 through paragraph 0068);
- Identifying, for each transaction, a product related to the transaction by comparing the received purchasing data with product information stored in a product index, wherein the product information in the index associates at least a portion of the received purchasing data with a particular product (paragraph 0066 through paragraph 0068);
- Modifying the received purchasing data to include data representing the identified product (paragraph 0066 through paragraph 0068); and
- Processing the modified purchasing data to reflect all purchase transactions concerning the identified product (paragraph 0066 through paragraph 0068).

Referring to claim 2. Whitesage further discloses a method wherein the receiving step includes the step of determining whether the received purchasing data complies with predetermined purchasing data criteria defining data expected from the purchasing entity (paragraph 0068).

Referring to claim 3. Whitesage further discloses a method wherein the receiving step further includes the substep of formatting the received purchasing data to comply with predetermined data storage requirements (paragraph 0068).

Referring to claim 4. Whitesage further discloses a method wherein the product index further includes a weight value for each association of a particular product to a portion of the received purchasing data, wherein each weight value defines a relative

Art Unit: 3625

accuracy of the corresponding association, and wherein the product identifying step further includes the substeps of:

- Determining, from the index, products associated with a portion of the received purchasing data (paragraph 0048 and Figure 2b and Figure 2c); and
- Identifying the product related to the transaction based on the weight values of the products determined from the index (paragraph 0048 and Figure 2b and figure 2c).

Referring to claim 5. Whitesage further discloses a method wherein the step of identifying the product based on the weight values further includes the substep of identifying the product related to the transaction by selecting the product having the highest weight value (paragraph 0068 and paragraph 0129 through paragraph 0131).

Referring to claim 6. Whitesage further discloses a method wherein the method includes the substep of: updating the weight values based on an accuracy determination of the corresponding associations (paragraph 0068 and paragraph 0129 through paragraph 0131).

Referring to claim 7. Whitesage further discloses a method wherein the product-identifying step further includes the substeps of:

- Comparing the received purchasing data with product information stored in a plurality product indexes, wherein each index associates different portions of the received purchasing data with products (paragraph 0068 and paragraph 0129 through paragraph 0131); and

Art Unit: 3625

- Identifying the product related to the transaction based on the comparisons with the product information in each of the plurality of indexes (paragraph 0068 and paragraph 0129 through paragraph 0131).

Referring to claim 8. Whitesage further discloses a method wherein each of the product indexes includes a weight value for each association of a particular product to a portion of the received purchasing data, wherein each weight value defines a relative accuracy of the corresponding association, and wherein the identifying step further includes the substeps of:

- Determining, from the indexes, products associated with a portion of the received purchasing data (paragraph 0068 and paragraph 0129 through paragraph 0131); and
- Identifying the product related to the transaction based on the weight values of the products determined from the indexes (paragraph 0068 and paragraph 0129 through paragraph 0131).

Referring to claim 9. Whitesage further discloses a method wherein the step of identifying the product based on the weight values further includes the substep of:

- Combining the weight values for each determined product from each index; and identifying the product related to the transaction by selecting the product having the highest combined weight value (paragraph 0068 and paragraph 0129 through paragraph 0131).

Referring to claim 10. Whitesage further discloses a method comprising the steps of:

Art Unit: 3625

- Identifying, for each transaction, a supplier associated with the particular transaction (Figure 4a);
- Modifying the received purchasing data to include data representing the identified supplier (Figure 4a); and
- Processing the modified purchasing data to reflect all purchase transactions concerning the identified supplier (Figure 4a).

Referring to claim 11. Whitesage further discloses a method wherein the step of identifying a supplier includes the substep of identifying, for each transaction, a supplier associated with the transaction by comparing the received purchasing data with supplier identification information stored in a supplier database (Figure 4a).

Referring to claim 12. Whitesage further discloses a method wherein the method further includes the step of: updating the supplier database with new supplier identification information about suppliers contained in the received purchasing data (Figure 4a).

Referring to claim 13. Whitesage further discloses a method wherein the supplier-identifying step further includes the substep of:

- Comparing the received purchasing data with supplier identification information to determine a match based on at least one of the following matching criteria: (1) an exact match between a portion of the received purchasing data with the supplier identification information; or (2) a match of a predetermined portion of the received purchasing data with the supplier identification information (Figure 4a).

Referring to claim 14. Whitesage further discloses a method wherein the step of comparing the purchasing data includes determining a match based on at least one of the following supplier matching criteria: (1) a name of a supplier; (2) an acronym formed from a supplier's name; (3) an address or a portion of an address of a supplier; (4) a telephone or facsimile number of a supplier; or (5) an identification number assigned to a supplier (Figure 4a).

Referring to claim 15. Whitesage further discloses a method wherein a plurality of the supplier matching criteria may be used to determine a match (Figure 4a).

Referring to claim 16. Whitesage further discloses a method wherein the step of identifying a supplier further includes the substep of:

- Assigning a supplier identification code corresponding to the identified supplier of each transaction (Figure 4a); and
- Wherein the step of processing the modified purchasing data further includes the substep of sorting the transactions according to the assigned supplier identification code (Figure 4a).

Referring to claim 17. Whitesage further discloses a method wherein the step of processing the modified purchasing data further includes the substep of:

- Analyzing the modified purchasing data to summarize purchasing activity of the purchasing entity (paragraph 0066 through paragraph 0068).

Referring to claim 18. Whitesage further discloses a method wherein the index associates products with information on suppliers included in the received purchasing data (Figure 4a).

Referring to claim 19. Whitesage further discloses a method wherein the index associates products with textual information included in the received purchasing data (Figure 7A and Figure 7B).

Referring to claim 20. Whitesage further discloses a method wherein the index associates products with an identification code included in the received purchasing data (paragraph 0066 through paragraph 0068).

Referring to claim 21. Whitesage further discloses a method wherein the method includes the step of negotiating for purchases based on the processed modified purchasing data (abstract).

Referring to claims 22-42. Claims 22-42 are rejected under the same rationale as set forth above in claims 1-21.

Referring to claims 43-63. Claims 43-63 are rejected under the same rationale as set forth above in claims 1-21.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew s Gart whose telephone number is 703-305-5355. The examiner can normally be reached on 8:30AM to 5:00PM m-f.

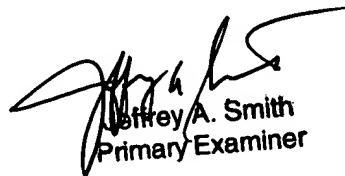
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3625

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

MSG

March 16, 2004



Jeffrey A. Smith
Primary Examiner